

VZCZCXRO6538

RR RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSL RUEHSR

DE RUEHNC #0456/01 1940716

ZNY CCCCC ZZH

R 130716Z JUL 09 ZDK DUE TO NUMEROUS SERVICES

FM AMEMBASSY NICOSIA

TO RUEHC/SECSTATE WASHDC 9991

INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

RUEAIIA/CIA WASHINGTON DC

RUEHBS/USEU BRUSSELS

RUCNDT/USMISSION USUN NEW YORK 1486

C O N F I D E N T I A L SECTION 01 OF 04 NICOSIA 000456

SIPDIS

DEPT FOR EUR/SE

E.O. 12958: DECL: 07/08/2019

TAGS: [PREL](#) [PGOV](#) [UNFICYP](#) [TR](#) [CY](#)

SUBJECT: CYPRUS: GREEK CYPRIOTS EXPRESS GUARDED OPTIMISM ON PEACE TALKS WITH DAS BRYZA

REF: A. NICOSIA 379

[¶](#)B. NICOSIA 402

[¶](#)C. NICOSIA 438

NICOSIA 00000456 001.2 OF 004

Classified By: AMBASSADOR FRANK C. URBANCIC FOR REASONS 1.4 (b) AND 1.4 (d)

[¶](#)11. (C) Summary: A wide-range of Greek Cypriot (G/C) interlocutors expressed guarded optimism, tempered by an understanding of the problems going forward, in the on-going UN-brokered peace process to EUR DAS Matthew Bryza during his June 29-30 visit to Cyprus. President Demetris Christofias was careful to dampen expectations for success, though clearly hinted at the possibility of substantial progress: "I am not so optimistic given the work that remains...perhaps during the give and take, sessions we can close the gaps." Former FM and lead negotiator George Iacovou claimed that the Turkish Cypriots were tabling confederal, vice federal, proposals, but nevertheless was committed to pushing forward to find common ground. Main opposition Democratic Rally (DISY) Leader Nicos Anastasiades repeated his strong support for Christofias' negotiating efforts and, alone among Greek Cypriot politicians, supported the appointment of a US Cyprus envoy. With his back against the wall because of his hard-nosed nationalist base, Foreign Minister Marcos Kyprianou admitted that Turkey would not block a solution and thus urged Turkish Cypriot (T/C) Leader Mehmet Ali Talat "to take a gamble" at the negotiating table. House Speaker Marios Garoyian, on the other hand, saw Ankara's bale influence behind every T/C proposal and urged Bryza to "pressure" Turkey. For his part, Bryza voiced strong US support for the efforts of the two leaders to craft a "Cypriot Solution", while offering support when, and if, the call came. He said that the USG would use its good offices with all parties, including with Ankara, to encourage flexibility and compromise, and believed Turkey was committed to the present process. Regarding the possible appointment of a US Cyprus envoy, he said that if such a request came, the US would work with the leaders and the UN . End Summary.

-----  
Christofias: "Too Early to Make Final Assessment"  
-----

[¶](#)12. (C) Christofias provided Bryza a detailed description of the reunification talks, including a synopsis of each of the chapters that he and the Turkish Cypriot leader, Mehmet Ali Talat, had discussed. He told Bryza that while "substantial differences" remained, it was still "too early to make a final assessment", noting that the all important "give and take" phase had not even begun. As is customary, he repledged his full efforts to find a solution to division of the

island. The Cypriot President was clearly upbeat over the June 26 announcement to open the Limnitis/Yesilirmak crossing point and joked that, no matter what language Bryza used to call the opening, Turkish or Greek, the most important point was the opening itself.

¶3. (C) On governance, Christofias noted that the two sides continue to disagree on how to elect the reunited nation's president and vice-president. The Greek Cypriot (G/C) position is that there should be direct voting for both, ideally with a single ticket for both positions, allowing, however, for weighted Turkish Cypriot voting. In addition, Christofias says he offered Talat a guarantee that on substantive issues (those effecting "minority rights and protections") the T/Cs would have an effective veto. The T/C proposal, a presidential council having 4 G/Cs and 3 T/Cs with a yearly rotating presidency, "is simply not functional," according to Christofias.

¶4. (C) "The property issue is very difficult," Christofias said. Although both sides agree that the pre-1974 title-holders are the "real owners" of the property, Talat wants current occupants to have the right of first refusal as to whether they stay or receive compensation, while Christofias insists that the "real owners" get to make that decision. (Note: Talat worries that an influx of G/Cs who forgo compensation and reclaim property will dilute T/C "bizonality" and rob them of effective political control. End Note.) Similarly, on the economy, Christofias reported that Talat insists on, effectively, two economies, with parallel institutions controlling economic matters in the separate constituent states. Christofias argued that, not only is this inefficient, especially for a small island, but effectively impossible within the EU. He also said that Talat's position was more hard-line than that of T/C negotiators within the

NICOSIA 00000456 002.2 OF 004

economic working group.

¶5. (C) Territory is also "very nettlesome," Christofias reported. No maps have been exchanged, because the T/C side refuses to do so at this stage, but the proposed T/C criteria are indicative of future problems. Both sides believe that they are protecting humanitarian concerns in this regard, with Talat arguing that the fewest number of T/Cs should be forced to move again and that persons who have resided in the north (from Turkey) for decades should not be forced to leave. Christofias noted his "courageous" agreement to allow 50,000 "settlers" to remain (Note: The 2004 Annan Plan allowed 45,000 End Note). He also said that the human right of G/C refugees to go home must be respected.

¶6. (C) Remaining to be discussed are "Turkish red-lines," especially the Treaty of Guarantee. Christofias joked that, even though he's a communist, he dislikes "red" lines and believes that, once you begin negotiating, such conditions shouldn't exist. He also argued that Cyprus has changed since the Treaty of Guarantee was signed in 1960: "We're more mature; partly because of our tragedies." Therefore, he argued, there is no longer any need for such guarantees from outside powers: "EU members don't need outside guardians, they (the guarantors) have harmed us enough."

¶7. (C) Bryza asked about the timing for concluding the talks. Christofias acknowledged that "natural time frames" exist, but underscored that Turkey has to help itself by recognizing the RoC, opening its ports to Cypriot ships, and meeting its obligations to the EU. He made clear that he feels no pressure to help Turkey by speeding up the talks, "It's not up to me, but to Turkey," but added that he supports Turkish accession to the EU. In the same vein, he noted that Talat has reminded him that the T/C elections for "TRNC President" will be next April. Christofias responded that, while he has only one goal, "reunification," he told Talat "to have Turkey help him get reelected." He recognizes that he does not have the same "restrictions" as Talat, but said he believes that

if Cypriots make a decision on the island's future, "Turkey would not dare stand in the way because of international pressure."

¶ 8. (C) When asked about whether a referendum was required instead of a decision by parliament or the government, Christofias said that while "people trust the negotiator (meaning himself) they have low expectations for a solution." Despite this, he believes that all the major parties would have no choice but to support a settlement if he asked them, thanks to "the popularity of Christofias," provided, of course, it is a Cypriot solution, "even one not completely satisfactory."

-----  
Iacovou: "T/Cs never refer to 'Federal state'"  
-----

¶ 9. (C) G/C lead negotiator and former FM George Iacovou, who claimed that the Turkish Cypriots were tabling confederal schemes in almost all of their proposals, was nevertheless committed to the success of the present negotiations. "The T/Cs never refer to the 'Federal state'", he claimed, arguing that they wanted to create a new Cyprus where the inhabitants of the constituent states could live their entire lives without having even minimal contact with the federal government. Proof positive of this were the Turkish Cypriots' "completely unworkable proposals (on EU matters)," which, he said, the G/Cs nevertheless accepted. "We went along," he said, knowing that the end result of requiring consensus would be "a disaster" that would silence Cyprus in Brussels. He dubbed the chapter on the "Economy" a "disappointment," since a 15-page Working Group paper ballooned to seventy-one, with even more disagreement introduced. In short, he said that the leaders had achieved less convergence than at the Working Group level. He opined that the Turkish/Turkish Cypriot strategy was to stick to maximalist positions in the hope that future arbitration imposed from the outside would split the difference.

¶ 10. (C) Iacovou said that the key issues of territory, property, and security/guarantees were all interconnected by the common thread of "settlers", G/C shorthand for anyone who entered Northern Cyprus post-July 1974 in a status not regulated by the RoC. He said that the Greek Cypriots wanted as many G/Cs as possible to return to the north under G/C administration. This desire, however, ran up against Turkish Cypriot claims that "facts on the ground" had changed

NICOSIA 00000456 003.4 OF 004

post-Annan, and that there was simply no room left to relocate Turkish Cypriots. Christofias, he said, joked that to appease the T/Cs on territory he would have to give them "Varosha and Larnaca." (Note: Varosha is an abandoned city that, under UNSC Resolution 550 (1984), should be, pre-settlement, returned to UN control, and under the Annan Plan would have been one of first areas transferred to G/C administration. Larnaca is a large G/C city on the south coast. End Note.) He also said that the T/C refusal to allow the original property owners the right of first refusal (the G/C proposal) was not sustainable given the fact that neither the Turkish Cypriots nor the International Community had anywhere near the Euro 30 billion (his estimate) needed to compensate the original owners.

¶ 11. (C) Despite his often gloomy accounting, Iacovou said that he was the "wrong guy" to be negative when asked by Bryza if he was "optimistic". He said he was going to "keep at it" until the end, and added that the sides had worked out some real bridging proposals, such as crafting a deadlock breaking mechanism in the judiciary. He also was clearly proud of the deal to open the Limnitis/Yesilirmak crossing point, and promised to make sure that all G/C obligations related to its future operation would be carried out in short order.

Main Opposition DISY: Continued support for Solution

¶12. (C) The leader of the pro-solution, main opposition Democratic Rally (DISY) Party, Nicos Anastasiades, confirmed to Bryza that he supports Christofias in his negotiation efforts and would back a "yes" vote in a referendum, just as the party supported the 2004 Annan Plan. Alone among the G/C interlocutors, only Anastasiades supported a US Cyprus envoy. He said that such an envoy would be useful for "external issues," namely, dealing with Turkey, and for providing ideas during the negotiations end game to bridge final differences. He believed such an arbitration mechanism would be necessary to break final deadlocks, and that such a mechanism must appear unobtrusive, to contrast with the UN's previous efforts to force compromises on the G/Cs at the end of the Annan Plan process. Anastasiades, like all other G/C interlocutors, did not favor any further confidence building measures post-Limnitis/Yesilirmak. He pointed out that although the agreement on Limnitis/Yesilirmak produced a success, it robbed the talks of momentum for at least a month while the deal was hammered out. Furthermore, neither party, he argued, would be ready in the future to make any serious concessions on tangential issues since the end game of the talks is approaching.

¶13. (C) Although not "Turkey-phobic," and even eager to meet with Turkish PM Erdogan, Anastasiades argued that the Turkish leadership nevertheless often does unhelpful things, such as blocking a G/C-proposed study of the state of abandoned Varosha's infrastructure and consistently talking about a negotiated Cyprus outcome that results in two states. Such statements, he argued, would make it harder to sell a solution by giving hard-liners a reason to say Turkey will seek a say in the future of both constituent states. On the other hand, the DISY leader was critical of his own government's foreign minister for saying that negotiations would not be completed by January. Anastasiades noted that as a result of the Annan plan, "arbitration has been demonized." Nevertheless, the International Community needed an acceptable mechanism to provide "food for thought" to the negotiators.

-----  
FM Kyprianou: "Turkey will not block a solution"  
-----

¶14. (C) Foreign Minister Marcos Kyprianou was surprisingly sanguine about Turkey, arguing that it will not "block a solution" to the Cyprus Problem if one is hammered out and that, consequently, "Talat should take a gamble" in his negotiating strategy. He complained that the T/Cs have made no public gestures to help change G/C public opinion, while noting that the G/Cs "have made all the concessions." The USG should pressure Turkey to be more flexible on Cyprus-related matters to help speed the process along.

¶15. (C) On non-CYPROB issues, Kyprianou was critical of the US stance on Abkhazia, arguing that since "the US chose independence for Kosovo," it had to live with the Russian

NICOSIA 00000456 004.2 OF 004

action in Georgia. Either way, he argued, Cyprus is confident of the "justice of its own position (non-recognition of breakaway states)." He was also critical of the T/C negotiating approach, arguing that the Turkish Cypriots are even trying "to move away from Annan." Kyprianou argued that Christofias was surprised at the "harder line" taken by Talat which, he claimed, frustrated the President. "If they continue to take this approach, we cannot achieve an agreement this year. Even simple issues have become huge topics," he complained. He blamed the harder line on the T/Cs failure to "move on from the 1960s," i.e. think supra-nationally as EU citizens, and not only as members of the Turkish Cypriot community.

-----  
House Speaker Garoyian: Turkey, Turkey, Turkey!  
-----

¶16. (C) Only House President and leader of the solution-skeptical Democratic Party (DIKO) Marios Garoyian told DAS Bryza that he was simply "not optimistic" over the fate of the negotiations in spite of his support for the President, whom, he contends "is acting in good faith." Garoyian argued that the Turkish Cypriots interpret the federal basis for the talks as confederal: "If we have two interpretations of one principle, where will we arrive at the end?"

¶17. (C) In fact, the key to a solution on all issues is Ankara, Garoyian contended. Although pleased with the announcement to open the Limnitis/Yesilirmak crossing point, he blamed the Turkish military--and the inability of T/C leader Talat to influence it--for the fifteen month delay in the opening. Repeating the familiar refrain that "if left alone to our own devices, I'm sure that Turkish and Greek Cypriots would solve this problem by themselves," Garoyian stressed that Turkey was in the driver's seat, and the US, as the only state able to pressure Turkey, has a crucial role to play in this regard.

¶18. (C) In response, DAS Bryza noted that the US shares a "complex and difficult" relationship with Turkey and does not enjoy much, if any, leverage over Ankara, aside from our good offices. That said, Bryza noted that former FM Babacan and FM Davutoglu have both lived up to their pledges on Cyprus and appeared to give the Turkish Cypriots enough room to negotiate on all issues, except security/guarantees, where Turkey, by international treaty, has its own interests. Turkey does, Bryza underscored, want the Cyprus issue resolved. In response to Garoyian's question about leveraging Turkey's EU Accession, Bryza noted that Turkish enthusiasm for the EU, while still substantial, had waned primarily because "the Turks are tired of being lectured to." Bilaterally, Garoyian welcomed Bryza's call to strengthen the "profound" US-Cyprus relationship. He declared that the political will certainly exists in Cyprus to engage more deeply with the US, though admitted this had not always been the case in the past. He expressed a particular interest in increasing contact between the Cypriot and US legislatures, and extended an open invitation to US Congressional visitors, including House Speaker Nancy Pelosi.

This cable has been cleared by DAS Bryza.

Urbancic